

STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL SERVICES DIVISION
P. O. BOX 942850
Sacramento, CA 94250-5878

DATE: November 8, 2018

PERSONNEL LETTER # 18-021

TO: All Agencies in the Uniform State Payroll System

FROM: Marissa Revelino, Chief
Personnel/Payroll Services Division

RE: JULY 1, 2018 GENERAL SALARY INCREASE FOR BARGAINING UNIT 05 EMPLOYEES

Based on an agreement between the State of California and Bargaining Unit 05, a 6.2% general salary increase (GSI) has been approved for all classes designated R05, M05 and S05, effective July 1, 2018. Please refer to CalHR Pay Letter #18-32 for further information. This letter can be accessed via the following link:

<https://hrnet.calhr.ca.gov/CalHRNet/Documents/PayLetters/pdf/pl1832.pdf>.

The new salary rate will be reflected in the employee's November 2018 master payroll. Adjustments will also issue for July 2018 – October 2018 pay periods. See below for additional information on the adjustment payments.

EMPLOYMENT HISTORY (EH) MASS UPDATE PROCESSING

The State Controller's Office (SCO) will process an EH mass update on November 8, 2018 to post a GEN transaction effective July 1, 2018 for employees due a GSI. The GEN transaction will reflect the GSI within the employee's base salary rate. In addition, out-of-sequence transactions will be included in the mass update process.

The Personnel/Payroll Services Division (PPSD) will manually update EH records not included in the mass update. PPCS will notify departments of any situations requiring department action.

Turnaround (TAD) PARs will be issued and released on a flow basis.

DEPARTMENTAL ACTION REQUIRED - EH DOCUMENTATION/PROCESSING INSTRUCTIONS

Lump Sum

Employees who separated from state service without fault prior to the effective date of the salary increase with lump sum pay extending beyond July 1, 2018, and who were eligible for the GEN at the time of the separation, should have their lump sum adjusted to reflect the salary increase. Departments must identify and manually process the GEN transactions for separated employees, as applicable.

Out-of-Sequence

After the GEN transaction is posted to an employee's EH record, any new out-of-sequence transaction must have the old salary rate entered, if allowable on the transaction. If not entered, the salary rate

information per the GEN transaction will be reflected on the new transaction and could cause an overpayment for the employee. See PAM Section 9 for further processing information.

If correcting a July 1, 2018 effective date transaction that was processed prior to the GEN being posted, enter the GSI Code O (alpha O) in the GSI field on the PAR1 update screen on the correct transaction to indicate the old salary rate. Per DPA rule 599.689, MSA/SIS transactions with a July 1, 2018 effective date must be posted prior to the GEN, if applicable. Enter the GSI Code O on the MSA/SIS transaction to indicate the old salary rate. Failure to enter the GSI Code O could result in an incorrect base salary rate and/or anniversary date for the employee (i.e., overpayment).

PAYROLL ADJUSTMENTS

Adjustments for regular pay and overtime payments (i.e., non-FLSA overtime pay) that have already been issued will be automatically made after the employee EH records are updated for the salary change.

Departments will need to request GSI adjustments, via the PIP system on form STD. 671, for the following payments that have issued for the July 2018 – October 2018 pay periods. See PPM Section K for PIP system instructions.

- FLSA Overtime Pay (Payment Type 1, Payment Type Suffix F) – see PPM Section G 024 for further information.
- Out-of-Class Pay (Earnings ID SI only) – see PPM Section G 831 for further information.
- Awards/Bonus/Special Pay (Payment Types A, G, 9, and S [except Holiday Pay]) if the pay rate is based on the employee's based on salary and the employee is receiving a GSI. Determine the difference in gross due and key the difference in the gross field on the PIP system's miscellaneous detail screen.

Departments will need to submit form STD. 674/674D to PPSD to request adjustments for the following payments that have issued for the July 2018 – October 2018 pay periods:

- Regular pay with dock applied for employees with a mid-month change.
- Regular pay for employees on an alternate work schedule or working a shift and time paid does not equal time possible for the pay period.
- Industrial Disability Leave (IDL)
- Regular and/or Supplementation pay for employees on Temporary Disability (TD)
- Nonindustrial Disability Leave (NDI)
- LC 4800
- Out-of-Class pay – Earnings ID 8G and 8G2 only.
- Supplemental Premium Payment Type 8 only if the pay rate is based on a percentage of the employee's based on salary rate and the employee is receiving a GSI.

RETROACTIVITY CHARGES

The transactions resulting from the July 1, 2018 GSI update are considered to be non-controllable personnel and payroll transactions. The EH transactions and payroll adjustments resulting from the EH mass updates or initiated by PPSD will be reflected on the Monthly Retroactivity Report, but should be removed. The EH transactions and payroll transactions that are key entered by the department will also appear on the department's report. The department should return the report identifying the items associated with the July 1, 2018 salary changes, along with the appropriate explanation so the charges can be adjusted.

Please direct questions on the GSI as follows:

SUBJECT AREA	CONTACT	TELEPHONE NUMBER
Program Administration (e.g., rules, regulations, benefits/pay impacts)	Personnel Services Branch CalHR	(916) 323-3343
General Payroll Procedures Disability Payroll Procedures SCO Employment History Procedures	Customer Contact Center	(916) 372-7200

MR:AVB:PMAB